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SUBJECT: LULA SAMBAS INTO ANKARA, REINVIGORATES
BRAZIL-TURKEY RELATIONSHIP

REF: BRASILIA 658

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11. (C) SUMMARY: Brazilian President Luiz Inacio "Lula" da Silva's visit to Ankara on May 22-23 was the latest in a series of steps over recent years to strengthen Turco-Brazilian ties. This successful visit was capped by the signing of an \$800 million investment deal between state-owned energy company TPAO and Petrobras. The Brazilian Embassy in Ankara characterized the relationship between Brazil and Turkey as one of "periods of intense engagement, followed by long stretches of inactivity" due to the competing priorities of both governments. The biggest source of friction between the two countries remains Turkey's opposition to Brazil becoming a permanent member of the UN Security Council. The Turkish Ministry of Foreign Affairs (MFA) concurred with these assessments and suggested that a stronger relationship could be built through more frequent low-level diplomatic contact between the two countries. END SUMMARY.

First Ever Visit by Brazilian President

12. (SBU) Lula's landmark visit to Ankara was the first ever by a Brazilian President, although the Brazilian Emperor Dom Pedro II visited in 1870. According to Rosimar Suzano, a Brazilian MFA specialist on Turkey who traveled to Ankara in support of Lula's visit, the visit was a success and strengthened the close bilateral ties between Brazil and Turkey. The highlight of the visit was the signing of an \$800 million investment deal between state-owned energy company TPAO and Petrobras. Under this deal, the two countries agreed to jointly explore for oil in the Black Sea. Turkey will benefit from the assistance of Petrobras, which is recognized as a world leader in deep-sea drilling techniques. According to press reports, Lula said that his government wishes to see Petrobras become the world's leading oil company and, to accomplish this, the company "has to invest and work in other countries." Ekran Aytun, the MFA's Latin America desk officer, told us Turkey envisions additional joint contracts after the two companies build a solid working relationship through the Black Sea contract.

13. (C) The visit was marked by a host of other deliverables, including a commitment to increase high-level visits between the two countries. Prime Minister Recep Tayyip Erdogan agreed to visit Brazil in May 2010 to participate both in bilateral meetings and in the next Alliance of Civilizations

conference, which will be held in Rio de Janeiro. Additionally, a group from the Turkish Parliament's Brazilian Friendship Committee will visit Brazil in June of this year as part of a series of trips designed to exchange views between Parliamentary delegations. In contrast to this positive view of high-level visits, Aytun noted that the MFA favors more frequent working-level visits to build strong lasting ties between the two governments. Finally, the second meeting of the Joint Economic Commission will take place this year in Istanbul (the first meeting was in 2004 in Brazil, nine years after the agreement was signed). While in Istanbul, Lula attended the closing ceremony of a large business conference, which was the second half of an event held in Brazil in 2006 during then-Foreign Minister Abdullah Gul's visit.

14. (C) Suzano also highlighted the recently-instituted Turkish Airlines (THY) flight from Istanbul to Sao Paulo (via Dakar). Suzano speculated that the primary users of this flight would be Brazilians traveling to Turkey, as the number of Turkish tourists in Brazil is quite low and there does not seem to be much interest in traveling to Brazil among Turks, given that they can take a much shorter flight to Europe. She also believed that the new flight was more of a political decision than a commercial one, observing that no Brazilian airline had any immediate plan to start service to Turkey.

Uneven Pace of Bilateral Ties

15. (C) In general terms, Suzano praised the strength of Brazil-Turkey ties, but opined that the relationship is characterized by "periods of intense engagement, followed by long stretches of inactivity." As an example, she cited the two-year lag time between when additional THY flights were announced and when they actually began. Aytun concurred with this assessment and pointed out that a reliance on high-level contacts led to more missed meetings because of competing priorities for the two heads of state.

16. (C) The greatest scope for cooperation and increased ties between the two countries is in the economic realm. Bilateral trade is approximately \$1.1 billion annually, a negligible amount given the size of the two economies. Suzano did not believe there was much potential for increased trade, however, as both countries produce similar products, both in the agricultural and industrial sectors. According to Suzano, the real opportunities lie in cooperative ventures in third countries. She pointed out that Turkey is looking to increase its political and economic presence in Africa, an initiative that dovetails nicely with recent Brazilian steps in the same direction. She also commented that during the visit there had been a high degree of Turkish interest in Brazilian biofuels and a discussion of how such fuels could be productively utilized to meet Turkish energy needs. Aytun raised each of these issues as well, emphasizing that Turkey should focus on increasing economic trade with Brazil, as the current figure does not crest 1 percent of either country's trade volume.

17. (C) Despite the gradually deepening relationship between the two countries, Suzano acknowledged that their interests do not always align. This is especially clear on the issue of UN Security Council reform, where Suzano said Turkey was explicit that it will not support permanent membership for Brazil. Turkey and Brazil also often have "energetic" debates in other developing nation fora such as the Non-Aligned Movement, she said.

Comment

18. (C) The visit by President Lula to Ankara underscores that Brazil and Turkey have made the deepening of ties a priority, and this is likely to continue at least through next year with Erdogan's planned visit to Rio. Whether this newly-invigorated relationship will weather the long-term,

however, will depend to a large extent on the other demands competing for the attention of the respective governments. Both Brazil and Turkey justifiably style themselves as leaders of the democratic developing world, but beyond that commonality they do not have much in the way of deep-seated shared values or interests. Economic ties, such as the Petrobras investment or cooperation on biofuels, may help establish shared interests over time, but it is a process that can easily be derailed by more important concerns.

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